

2008-2009 PERFORMANCE PLAN – Portfolio Manager, Internal Equity Strategies (D. Bienvenue)

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Quantitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
40%	Index International	Return deviation in basis points relative to: International Equity Index Portfolio versus CalPERS FTSE Dev World Ex US&Tobacco {SWB3 – QR32}	-30 basis points = 0 -10 basis points = 1.0 0 basis points = 1.5
15%	Global Equity Performance	Excess return deviation in basis points relative to: Global Equity Performance Benchmark. {GLOBLIC – CPERSGE2}	- 50 basis points = 0 -10 basis points =1.0 +15 basis points =1.5
5%	Domestic & International Fundamental	Return deviation in basis points relative to: Domestic Fundamental Portfolio versus CalPERS Custom Wilshire 2500 {SWDS – Y082} (50%) International Fundamental Portfolio versus CalPERS FTSE Dev World Ex US&Tobacco {SWEU – QR32} (50%)	0 basis points = 0 +50 basis points = 1.0 +100 basis points = 1.5
5%	Domestic & International Internal REIT	Return deviation in basis points relative to: Domestic REIT Portfolio versus CalPERS Strategic Non-Core REIT {SW8Q – VJ72} (50%) International Asset Allocation REIT versus FTSE EPRA / NAREIT Global Real Estate {SWCX – WH5D} (50%)	-30 basis points = 0 -10 basis points = 1.0 0 basis points = 1.5
5%	Dynamic Completion	Return deviation in basis points relative to: Dynamic Completion Portfolio versus Custom DCF Benchmark {SW2M – ZZV2}	-200 basis points = 0 -100 basis points = 1.0 0 basis points = 1.5
5%	Participant Driven Affiliates	Return deviation in basis points relative to: Affiliate S&P 500 (SK52) versus S&P 500 Index {SK52 – X01D} Pooled S&P 500 Index Fund versus PERS Blended S&P 500 Ex Tobacco {SK80 – QM32} Russell 2500 versus Russell 2500 Mid / Small Index {SKB1 – XF5D}	-30 basis points = 0 -10 basis points = 1.0 0 basis points = 1.5
75%	Subtotal	Quantitative Measures	

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Qualitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
15%	Leadership	<i>Human Resources staff is working with the Interim Chief Investment Officer to develop the qualitative leadership performance measures which will be presented for second reading.</i>	From Schedule
10%	Global Equity Benchmark Shift	Lead the Global Equity effort to migrate to the new, cap weighted Global Equity benchmark including: <ul style="list-style-type: none"> • Develop and monitor tool for allocation assessment. • Work with Wilshire to determine schedule and logistics. • Launch Developed Markets Small Cap and Emerging Markets Index funds. • Migrate assets market capitalization weights. 	From Schedule
25%	Subtotal	Qualitative Measures	
100%	Total	Quantitative and Qualitative Measures	